



State of New Jersey

DEPARTMENT OF THE TREASURY
DIVISION OF TAXATION
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Notice To Licensees Regarding Outdoor Advertising Fee (September 18, 2003)

On July 1, 2003 P.L. 2003, c.124 imposed a fee of 6% on the gross amounts collected by a retail seller of billboard advertising space. For purposes of this legislation, the retail seller is the licensee, which is the entity authorized to sell advertising space on billboards pursuant to N.J.S.A. 27:5-5 et seq.

As a licensee you are responsible for remitting the Outdoor Advertising Fee on the gross amounts collected from selling advertising space on billboards. "Gross amounts" do not include fees received by an advertising agency or broker that is not related to the retail seller (licensee).

In the situation where an advertising agency or broker is involved, the advertising agency or broker will be considered an agent of the customer and thus not responsible for the Outdoor Advertising Fee, unless the advertising agency or broker is itself a licensee and is directly selling billboard advertising space.

Although this fee is imposed on the retail seller, there is nothing in the law that prohibits the retail seller from passing on this cost to the customer. If the Outdoor Advertising Fee is separately stated on the invoice or bill provided to the customer it should be labeled accordingly, "Outdoor Advertising Fee", and not as a tax. The retail seller may not in anyway mislead the customer or misrepresent that the Outdoor Advertising Fee is anything more than a reimbursement of the fee imposed on the retail seller and not a tax on the customer.

A license is required to sell or rent billboard advertising pursuant to N.J.S.A. 27:5-5 et seq. Therefore, if a license is required by the Department of Transportation to sell advertising space on a particular outdoor sign then the gross receipts from the sale of advertising space on such sign are subject to the 6% Outdoor Advertising Fee. However, if a license is not required then the gross receipts for the sale of space on that sign are not subject to the Outdoor Advertising Fee.

The fees will be reported and paid on a quarterly basis and the first return will be due October 15, 2003, for the period of July 1, 2003 to September 30, 2003. See enclosed return for filing instructions.

Any additional information on the Outdoor Advertising Fee will be posted on the Division of Taxation's Web Site located at www.state.nj.us/treasury/taxation under "News".